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SIPDIS, SENSITIVE

STATE FOR EUR/CE, EEB/ESC/TFS  
TREASURY FOR TFFC/KATHERINE LEAHY

E.O. 12958: N/A  
TAGS: [EFIN](#) [KTFN](#) [PTER](#) [ETTC](#) [PHUM](#) [EAID](#) [AU](#)  
SUBJECT: Terrorist Abuse of Charitable Sector -  
Austria

REF: STATE 5834

Sensitive but unclassified - protect accordingly.

¶1. (SBU) Post discussed reftel points with Austria's Finance Ministry (Elisabeth Ottawa, terrorism financing coordinator and FATF representative, Financial Markets Directorate) and Interior Ministry (Sabine Klinglmair, head of the International Affairs Department), soliciting views on charities in Austria.

¶3. (SBU) Our discussions were productive and raised awareness. Ottawa and Klinglmair were sympathetic to the "alternative relief" concept, but gave no indication that the GOA will take similar initiatives in the near future. In Austria, the 2002 Law on Associations (as amended in 2007) covers all nonprofit organizations (NPOs) including charities and religious associations and implemented FATF Special Recommendation VIII.

¶4. (U) Austrian law mandates that organizations register and regulates their establishment, bylaws, organization/management, registration, auditing, and accounting requirements. Special provisions apply to associations whose finances (donations, revenues, expenditures) exceed a certain threshold. Those with a balance sheet over EUR 3 million (\$4.41 million at the 2008 exchange rate) or annual donations of more than EUR 1 million (\$1.47 million) must appoint independent auditors to review and certify the financial statements. Publicly soliciting donations requires advance permission from the authorities. Austria follows FATF best practices in its accounting rules as well as a "quality certificate" issued by the Austrian Federal Economic Chamber.

¶4. (U) The Central Register of Associations offers basic information on all registered associations in Austria free of charge via the Internet. Financial institution customer identification procedures and due diligence obligations are an additional layer to monitor charities and detect money laundering or terrorist financing. Since charities can apply for tax exemption, tax authorities provide another layer of control.

¶5. (SBU) Ottawa said GOA authorities feel that the law on associations is sufficient and that the charitable sector is transparent. An upcoming amendment to the law will implement sanctions for non-compliance, according to Ottawa. Ottawa and Klinglmair confirmed that there are no regular or routine checks made on NPOs established in Austria.

Comprehensive monitoring is impossible due to the large numbers and privacy/data protection considerations.

16. (SBU) The MoI investigates associations upon receiving complaints or other information that an organization is not registered, is violating its by-laws, etc. Where terrorism or terrorism finance is suspected, the MoI turns investigations over to the Federal Agency for State Protection and Counterterrorism (BVT), which can obtain information from other authorities -- information sharing among authorities works well. Klinglmair opined that most charities are cooperative and there have been few cases involving serious crimes such as terrorist financing.

YAP